

MINUTES OF THE
EAST COVENTRY TOWNSHIP BOARD OF SUPERVISORS
BUDGET ADOPTION MEETING HELD ON DECEMBER 29, 2006
(Approved February 5, 2007)

The Board of Supervisors held a Budget Adoption Meeting on Friday, December 29, 2006. Present for the meeting were supervisors Robert F. Preston, W. Atlee Rinehart, John Doering, Jr., Tim Roland and Rosemarie C. Miller. Also in attendance was Casey LaLonde, Township Manager. Mr. Preston called the meeting to order at 4:04 p.m.

1. PUBLIC COMMENT

Mr. William Jenkins of 77 Riverview Road noted that Limerick received over \$1M from developers and Mr. Preston responded that East Coventry Township has been averaging about \$30,000 to \$40,000.

2. PHASE II SEWER PROJECT FINANCING

Mr. Gordon Walker was present to provide an update of the Phase II sewer project financing. Mr. Walker noted bank loans were solicited for the sewer financing and the construction bid opening is on schedule for January 8, 2007. Preliminary proposals were received from National Penn Bank and Wachovia Bank based on estimated costs. Harleysville and Commerce Bank were solicited but no proposal was received. Mr. Walker noted that National Penn offered a 5-year floating rate and then adjustment of the interest rate and Wachovia offered a fixed rate for 25 years. Mr. Walker noted that a draw down option on the loan is important and recommended same to avoid arbitrage. There was a discussion regarding the banks requiring all East Coventry Township bank accounts to be at their bank if such a loan was obtained from the selected bank. Representatives of National Penn Bank were present and verbally indicated they (National Penn Bank) would go back and sharpen their pencil after hearing Wachovia Bank's proposal. It was requested that Mr. Walker re-approach Harleysville and Commerce in addition to Wachovia and National Penn Banks. Mr. Roland moved to authorize Mr. Walker to solicit the loans from all banks both ways (East Coventry Township offering the sewer only accounts and/or offering the sewer and general accounts). Mr. Rinehart seconded the motion. The motion carried with a 5-0-0 vote.

Mr. Doering moved to authorize the Township Solicitor to prepare a mandatory sewer connection policy draft ordinance. Mr. Roland seconded the motion. The motion carried with a 5-0-0 vote.

3. 2007 BUDGET DISCUSSION

Mr. Rinehart moved to adopt the December 22, 2006 proposed 2007 budget in its entirety including wages with no tax increase. A lengthy conversation ensued regarding the proposed budget in reference to wages proposed in the 2007 budget and those wages paid in 2006. Mr. Doering suggested the budget be adopted as is but benchmark the wages and establish wages as a separate act from the budget. Mr. Michael Coine of 1134 Schoolhouse Road asked the Board of Supervisors who is responsible for authorizing the 2006 wage increases and Mr. Doering responded, speaking for himself and not representing the whole Board, by saying that the supervisors unanimously approved the 2006 budget which at that

time was the only official wage action and then they subsequently approve all expenses which includes wages.

Mr. Rinehart moved to reaffirm previous board approved motions that the Township Manger may proceed without Board authorization to spend up to \$4,000.00. Mr. Doering seconded the motion. The motion carried with a 5-0-0 vote.

Mr. Doering moved that the budget is an estimate only and not authorization for expenditures across the board. Mr. Roland seconded the motion. The motion carried with a 5-0-0 vote.

There was a discussion regarding the salary benchmarking. Mr. Doering noted that an adjustment down would only be considered if the wage difference is significant. Mr. Rinehart noted concerns of down adjustments and Mr. Doering noted that the Board is just establishing procedures.

Mr. Preston moved to benchmark salaries (for Public Works and Administration Departments only) in January 2007 engaging an independent third party to accomplish the finalization of that task. In the meantime the staff is to review the job descriptions, make any necessary modifications and submit same to the Board of Supervisors for review. This information gathered by the manager to establish 2006 wages will be given to the third party in compiling the wage benchmark study to be completed by end of January 2007. Mr. Doering seconded the motion. The motion carried with a 5-0-0 vote. Mr. Preston was requested to contact someone to do the Wage Benchmark Study. Mr. Doering stated he would also look for someone to do the Wage Benchmark Study.

Mr. Doering moved to maintain the 2006 salary rates for non-uniform employees until the benchmarking is complete, all increases will be retroactive after benchmarking is completed to the first payroll of the year 2007. Benchmarking is to be complete by the end of January 2007. Mr. Roland seconded the motion. The motion carried with a 5-0-0 vote.

Mr. Preston polled each board member with the question before the roll call vote on the budget was taken. Have you read line by line the proposed 2007 budgets dated December 22, 2006 as submitted earlier by the manager? Each board member responded 'yes' to that question. Mr. Rinehart moved to adopt the proposed 2007 budget dated December 22, 2006. There were no corrections, modifications, or changes offered by any East Coventry Township Board of Supervisors member to the December 22, 2006 budget as submitted by the manager. Mr. Doering seconded the motion. Mr. Preston called for a roll call vote. Mr. Roland voted yes. Mr. Doering voted yes. Mr. Rinehart voted yes. Mr. Preston voted no. Mrs. Miller voted no. Mr. Preston stated he felt that the budget is an illegal document because loan monies (that still appear in the budget) cannot be used for operating expenses. The motion carried with a 3-2-0 vote.

4. 2007 TAX ANTICIPATION NOTE

There was no discussion regarding tax anticipation note.

Tax Rate Resolution

Mr. Doering moved to approve Resolution No. 2006-39 establishing the 2007 tax rate at 1.5 mils. Mr. Preston seconded the motion. The motion carried with a 5-0-0 vote.

5. ADJOURNMENT

Mr. Rinehart moved to adjourn the budget adoption meeting at 5:40 p.m. Mr. Doering seconded the motion. The motion carried with a 5-0-0 vote.

Respectfully submitted,

Rosemarie C. Miller
Township Secretary